

Summaries of Fishery Disasters and Assistance

New England Multispecies Groundfish Fishery I

Date of Declaration/Determination: March 18, 1994

Location: New England, Gulf of Maine and Georges Bank

Description/Cause: The Northeast Multispecies Groundfish fishery collapsed due to a natural disaster of unknown causes (exacerbated by overfishing). The declines in fish stocks, combined with strict management measures to address the declines, had a significant impact on many New England fishing communities.

Authority: Sec 308(b) of IFA

Appropriation: 1994 Supplemental, March 18, 1994--\$30 million

- \$18 million for EDA

 \$9 million--financial restructuring (business technical assistance and revolving loans)

 \$9 million--community-based alternative economic activities

- \$12 million for NOAA

(plus additional \$2 million from Northwest Atlantic Fisheries Reinvestment Program)

 \$9 million--Fishing Industry Grants (FIG)

 \$2 million--buyback demo

 \$1 million--Family Assistance Centers

 \$1 million--FCRA subsidy costs for \$20 million in loans to refinance fishery-related debt

 \$1 million--administrative costs

NMFS Assistance Provided:

The two phases of the FIG Program each provided \$4.5 million in grants. A total of 63 grants were awarded for training fishermen, new business opportunities, aquaculture, marketing of underutilized species, and bycatch reduction. The program employed (full or part time) 149 fishermen and processors, and trained 589 fishermen and processors (including preparation to take Coast Guard licensing exam, training to be employed to

address oil spills, etc.). The FIG program was estimated to provide long-term (over 5 years) benefits to an additional 1,850 people involved in fisheries-related industries, through new employment opportunities.

The demonstration buyback program spent \$1.89 million to buy back 11 vessels and 67 permits associated with these vessels. The buyback amounts ranged from about \$50-400K, with an average of about \$172,000 per vessel. The boats and permits were permanently removed from the fishery. This demo program indicated that buybacks were feasible to reduce capacity in the groundfish fishery.

The loan program used essentially all of the \$20 million in loan authority. A total of 69 financings were processed under this program, which helped fishermen restructure their debt.

Six Fishing Family Assistance Centers were established in conjunction with the Small Business Administration and the Department of Labor and staffed by NMFS. These centers provided "one-stop shopping" for all potential Federal assistance to affected fishermen, and handled about 3,600 inquiries from fishermen while they operated. The centers were closed on September 30, 1995 when funding for them expired.

Description/Cause: Continuation of the disaster declared in 1994. While recovery measures for Northeastern groundfish have improved the prospects for commercially important cod, haddock, and yellowtail flounder stocks on Georges Bank, measures intended to protect Gulf of Maine cod have not been as successful. The Gulf of Maine stocks of groundfish have declined drastically over the past three decades. Spawning biomass continues to decline, reducing the probability that sizable groups of new fish will be produced. As a result of the continued crisis in the Northeast multispecies fishery, a number of areas in the Gulf of Maine were closed to many types of fishing gear for up to 3 months during February through June 1999, resulting in lost fishing opportunities.

Appropriation: FY 1999 Emergency Supplemental, October 19, 1998
--\$5 million
--\$1.8 million (part of \$1.9 million appropriated for this program, including administrative costs, and for enforcement)

\$4.1 million--compensation for lost fishing time/
socioeconomic surveys
\$2.7 million--research

Assistance Provided:

The funds were provided under the 1994 disaster declaration to address continuing problems due to declining stocks of cod and other groundfish. The program targeted persons most affected by temporary closures of fishing grounds in the Gulf of Maine. A total of 567 fishermen and crew members received assistance totaling over \$4.2 million. In exchange for disaster assistance, fishermen agreed to provide their vessels or their time for cooperative research, if suitable projects could be identified.

Disaster assistance was provided in two rounds. Round 1 was initiated in October 1999. Of 194 vessel owners eligible for this round, 128 participated, and they designated 158 crew members to receive a share of the compensation. NMFS made 286 payments, totaling \$2.5 million. Compensation amounts ranged from \$2250 to \$69,750, with an average payment of about \$20,000.

Round 2 was initiated in March 2000, with somewhat broader qualifying criteria than Round 1. There were 373 vessel owners eligible for this round, including 126 who had also participated in Round 1. A total of 285 vessel owners chose to participate, and received a total of \$1.4 million. Payments to boat owners who had not participated in Round 1 ranged from \$1500 to \$7500. Those who participated in both rounds were limited to \$1500 in Round 2.

In Round 2, vessel owners identified 181 crew members for compensation. Each crew member received \$1500, for an additional expenditure of \$271,500.

Round 1 participants made their vessels available for cooperative research until September 30, 2000. Almost all of the Round 1 boat owners contributed at least one day of cooperative activity. Most provided socioeconomic information that will be helpful for assessing the economic impacts of fisheries management measures. Other projects included engaging in research on the effects of trawl gear on the bottom; tagging codfish; advising on the development of industry-based surveys; standing by to assist in disentangling whales when caught in fishing gear; putting oceanographic sensors on their vessels; assisting in the release of marine mammals that have been rehabilitated after stranding; and taking fishery managers to sea to give them first-hand knowledge of fishing operations.

Participants in Round 2 have committed to making their vessels

available until September 30, 2001. Each participant has agreed to provide a maximum of three days.

Appropriation: FY 2000 Emergency Supplemental, June, 2000
--\$25 million

\$10 million--permit buyback
\$15 million-cooperative research

Assistance Provided: Of the amount appropriated, \$10 million was "to support a voluntary fishing capacity reduction program...that permanently revokes multispecies limited access fishing permits so as to obtain the maximum sustained reduction in fishing capacity at the least cost and in the minimum period of time and to prevent the replacement of fishing capacity removed by the program."

The Northeast Region published the permit buyout program and request for bids in the Federal Register on (cite). The program targeted latent fishing capacity by buying inactive limited access permits.

A total of 502 bids were submitted, of which 245 were accepted. To rank bids, the Region estimated each vessel's fishing capacity and then multiplied by days-at-sea. The result was divided into the bid amount, and bids were ranked from lowest to highest score, with the lowest score the first accepted.

The average value of all accepted bids was \$39,000; the highest bid accepted was \$127,000. Overall, the program permanently removed more than 20,000 latent days-at-sea from the fishery.

The cooperative research program used \$750 K for administration and the remaining \$14.25 million for activities in cooperation with fishermen, including